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DE RUEHIN #0077 0160946 ZNY CCCCC ZZH P 160946Z JAN 08 FM AIT TAIPEI TO RUEHBJ/AMEMBASSY BEIJING PRIORITY 7718 RUEHUL/AMEMBASSY SEOUL PRIORITY 9238 RUEHKO/AMEMBASSY TOKYO PRIORITY 9478 RUEHC/SECSTATE WASHDC PRIORITY 7891 INFO RHMFISS/DEPT OF ENERGY WASHINGTON DC PRIORITY

CONFIDENTIALAIT TAIPEI 000077

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STATE ALSO FOR ISN/NESS DAN FENSTERMACHER; DEPT OF ENERGY FOR DOES/NNSA/NA-213 CHONG, MESSICK AND CHAMBERLIN

E.O. 12958: DECL: 01/16/2012

TAGS: KNNP ENRG TRGY IAEA TW
SUBJECT: AEC WELCOMES TALKS ON HIGHLY ENRICHED URANIUM

SPENT FUEL REPATRIATION

**REF: STATE 170275** 

Classified By: AIT Economic Section Chief Hanscom Smith for reasons 1.4 B/D

- (C) This is an action cable for State ISN/NESS. Please <u>¶</u>1. see para 3. On January 14 ESTH officer spoke with Institute for Nuclear Energy Research (INER) Deputy Director Dr. Yeh Tao-ran about DOE's proposal to hold a meeting in April to discuss Highly Enriched Uranium (HEU) spent fuel repatriation from Taiwan to the U.S. Yeh told ESTH officer that shipping the spent fuel back to the U.S. will require funding approval from the Legislative Yuan. Since the LY just had its elections and most newly-elected legislators are unfamiliar with this issue, Yeh asserted that any funding request will require a lead-time of at least 2 years. However, he stated that if DOE is willing to help with a substantial portion of the funding, then INER could assist to speed up the transfer.
- (C) ESTH officer met on January 15 with Atomic Energy Council (AEC) Planning Director David Yao and INER representatives to discuss their concerns. Yao said that the original target shipment date of May 2009 would be difficult to meet and a two-year timeframe is more realistic. He estimated the costs of shipping at approximately 120 million NT dollars (about \$3.75 million) if the HEU is shipped in a combined shipment. Because the shipment of HEU involves budget, licensing, title transfer, shipping arrangements and possibly legal issues if the shipment is routed through third countries, Yao said a meeting in Taipei in April will be helpful in ironing out mutual concerns and welcomed the suggestion. Yao asked that a concrete agenda listing the items for discussion be sent to AEC. The list of Taiwan POC contacts in reftel was agreeable to the Taiwan side.
- (C) Action for STATE ISN/NESS-DOE: 1. Please confirm our ¶3. understanding that funding assistance to Taiwan for shipping the HEU spent fuel would not be feasible. 2. Please send AIT a proposed agenda for the April meeting as soon as possible so that AEC and INER can start planning for the meeting.

YOUNG